

CHARTER REVIEW COMMISSION
Wednesday, February 11, 2009
6th Floor Conference Room
Council Office Building

Commission Members Present:

Nancy Soreng, Chair
Alice Gresham Bullock, Vice-Chair
Karen Czapanskiy
Wilbur Friedman
Mollie Habermeier
Judith Vandegriff
Anne Marie Vassallo
Charles Wolff

Staff:

Justina Ferber, County Council
Marc Hansen, County Attorney's Office
Marie Jean-Paul, County Council
Amanda Mihill, County Council
Glenn Orlin, County Council

Guests:

Jennifer Barrett, County Department of Finance
Mike Coveyou, County Department of Finance

Commission Members Absent:

Michael Cogan*
Robert Shoenberg

Commission Chair Nancy Soreng began the meeting at 8:07 a.m.

I. Meeting with the Department of Finance

The Commission met with Jennifer Barrett, Director of the County's Department of Finance in a follow-up conversation about the potential of excluding certain special taxing districts from the §305 limits. A copy of Ms. Barrett's presentation to the Committee will be made part of the minutes.

II. Administrative Items

A. Approval of December 10 minutes

The Commission approved the December 10 minutes. Motion made by Karen Czapanskiy and seconded by Wilbur Friedman.

In favor: Alice Gresham Bullock, Karen Czapanskiy, Wilbur Friedman, Mollie Habermeier, Robert Shoenberg, Nancy Soreng, Anne Marie Vassallo, Charles Wolff (8)

B. Discussion of future workplan

Commissioners discussed the future workplan of the Commission. In order to look at the larger question of whether §305, as currently written, provides the best framework for ensuring fiscal responsibility and adequate resources to meet County obligations, Commissioners expressed an interest in meeting with Nick Johnson from the Center on Budget and Policy Priorities,

* Mr. Cogan did not attend the meeting due to a family illness.

Councilmember Duchy Trachtenberg, Chair of the Council's Management and Fiscal Policy Committee, and Neil Bergsman from the Maryland Budget and Tax Policy Institute at future meetings. The Commission will continue to evaluate the question of whether Special Taxing Districts should be excluded from Charter limitations in this larger context.

If it can be arranged, the Commission will meet with Mr. Johnson at their March meeting.

The meeting was adjourned at 9:30 a.m.

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CHARTER REVIEW COMMISSION

Discussion of Special Taxing Districts -Department of Finance

- A. (originally considered) (5) any special taxing district limited to a certain geographic area if the aggregate assessable base of all special taxing districts exempted under this clause does not exceed ten percent of the total County assessable base,
- B. (GO 7/7/08 Recommendation)(5) any special taxing district that covers a limited geographic area, such as an urban district, parking lot district, or noise abatement district, if the aggregate assessable base of all exempted special taxing districts does not exceed ten percent of the total County assessable base,
- C. (CRC Subcommittee) (5) any special taxing district that covers a limited geographic area, such as an urban district, parking lot district, or noise abatement district, if the aggregate real property tax collections of all exempted special taxing districts do not exceed two-and-a-half percent of the total County real property tax collections,
- D. (GO 7/22/08 Recommendation)(5) any special tax levied only in a special taxing district created by County law to provide specific public services in a limited geographic area if the aggregate assessable base of all special taxing districts subject to this clause does not exceed ten percent of the total County assessable base,

Technical Issues

- Definition of a special taxing district
 - o Term "special taxing district" would include several County wide districts such as Mass Transit, Fire, ALARF, and Storm Drain
 - o Limiting to less than County would still include Recreation, Metropolitan. and P&P Administration
 - o Precise language would be needed to define exactly which districts are exempted
 - o Target districts seem to be PLD, Urban, NAD, future small districts.
 - o There may be no limitation that would be viewed as adequately protecting property Owners
 - o As drafted, problematic implementation
- Limit on amount of funding
 - o Finance prefers revenue limiting approach, but calculation process would need to be carefully legally defined/drafted
 - o Still may not be viewed as adequate protection for all property owners
- How should exempted districts be created?
 - o Like the only currently exempted district -voluntarily -process initiated by property owners
- How handle first year benefit?
 - o Apply only to future districts
 - o Glenn noted that "if adopted, the base for the FY2010 FIT calculation would be the FY2009 total ad valorem tax collections MINUS the special district collections in FY2009"
 - o Wouldn't language have to be in Charter amendment?
 - o Have not seen anything drafted to address, would add additional complication
- Complex Issue -Does not meet LWV "simplified language" test

Policy Issues

- Passage of recent charter amendment sent strong message
- What is "spirit" of Section 305
- Discussion regarding "optional property taxes"
- Tough choices argument, single purpose override